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May 17, 1994

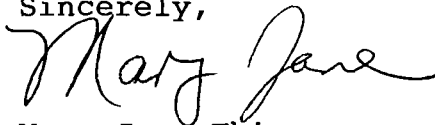
Mr. Ralph Howard
U.S. Environmental Protection
Agency - Region IV
345 Courtland Street
Atlanta, Georgia 30365

Re: Medley Farm Site

Dear Ralph:

Please find enclosed an updated letter from the Chief Financial Officer of National Starch and Chemical Company demonstrating that National Starch meets the financial test for financial assurance under 40 C.F.R. Parts 264 and 265. This letter is submitted to satisfy the financial assurance requirements under the Medley Farm Site Consent Decree. Please call me if you have any questions regarding this matter.

Sincerely,



Mary Jane Thies

MJT/da
Enclosure
39004.44003
cc: Medley Farm Site Steering Committee



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April 26, 1994

Regional Administrator
Region IV
U.S. Environmental Protection Agency
345 S. Cortland Street
Atlanta, Georgia

**Re: Financial Assurance
Medley Farm Site
Gaffney, South Carolina**

Dear Sir:


I am the Vice President and Controller of National Starch and Chemical Company ("National"). This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR Parts 264 and 265.

This firm, among others, is a potentially responsible party ("PRP") at the Medley Farm Site in Gaffney, South Carolina which is undergoing remedial activities pursuant to Applicable provisions of CERCLA and for which financial assurance for such remedial activities is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current remedial activities cost estimates covered by the test for this facility is \$3 million and, in accordance with an allocation agreement reached among the PRP's, National is responsible for an estimated 47% share of the costs of such remedial activities.

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year. The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from independently audited, year-end financial statements for the latest completed fiscal year, ended 1993.

1.	Sum of current remedial activities cost estimates	\$ 3,000,000
* 2.	Total liabilities	\$ 771,314,000
* 3.	Tangible net worth (SE - Other Assets)	\$ 757,615,000
* 4.	Net worth	\$ 900,311,000
* 5.	Current assets	\$ 632,814,000
* 6.	Current liabilities	\$ 613,631,000
* 7.	Net working capital (line 5 minus line 6)...	\$ 19,183,000
* 8.	Sum of net income plus depreciation, depletion and amortization	\$ 239,916,000
* 9.	Total assets in U.S.	\$1,671,625,000

	Yes	No
10. Is line 3 at least \$10 million?	<u>X</u>	_____
11. Is line 3 at least 6 times line 1?	<u>X</u>	_____
12. Is line 7 at least 6 times line 1?	<u>X</u>	_____
13. Are at least 90% of firm's assets located in U.S.? If not, complete line 14	_____	<u>X</u>
14. Is line 9 at least 6 times line 1?	<u>X</u>	_____
15. Is line 2 divided by line 4 less than 2? ...	<u>X</u>	_____
16. Is line 3 divided by line 2 greater than 1?	<u>X</u>	_____
17. Is line 5 divided by line 6 greater than 1.5?	_____	<u>X</u>


M.I. Fenster
Vice President and Controller

Date: _____

4/27/94